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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
DOUG LITTLE

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2015 JAN 30 PM 1 52

ORIGINAL

IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
CORPORATION, FOR ADJUSTMENTS TO
ITS RATES AND CHARGES FOR UTILITY
SERVICE FOR ITS PARADISE VALLEY
WATER DISTRICT

DOCKET NO. W-01303A-98-0507

Arizona Corporation Commission

DOCKETED

JAN 30 2015

DOCKETED BY

EPCOR WATER ARIZONA, INC.
PARADISE VALLEY WATER DISTRICT
NOTICE OF FILING
CAP SURCHARGE FOR YEAR 2015

In compliance with Decision No. 71841, EPCOR Water Arizona, Inc. ("Company") files its tariff and schedules setting forth its revised CAP Surcharge for 2015 for the Paradise Valley Water District. Based on the current reconciliation calculations, fees are under collected by \$24,584 as of December 31, 2014. The revised applicable surcharge rate of \$ 0.2055 per 1,000 gallons, consists of a surcharge of \$0.0139 per 1,000 gallons to recover the under collection of the prior years' surcharge, plus a surcharge of \$0.1916 per 1,000 gallons for the collection of the current annual capital and delivery charges.

The revised combined surcharge of \$0.2055 is applicable to all residential customers using in excess of 45,000 gallons during a monthly billing cycle and to all non-residential customers except customers who are reselling water provided by the Company. The revised surcharge amount should be effective as of March 1, 2015, as set forth in the attached tariff. Customers will be informed by bill text message of the change.

RESPECTFULLY SUBMITTED on January 30, 2015.

Sandra L. Murrey
Sandra L. Murrey

Sandra L. Murrey
Rate Analyst
EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

ORIGINAL and thirteen (13) copies
of the foregoing filed
on January 30, 2015, with:

The Arizona Corporation Commission
Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

Copy of the foregoing mailed
On January 30, 2015, to:

Steve Olea
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Lyn Farmer, Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
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Phoenix, Arizona 85007

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Residential Utility Consumer Office
1110 West Washington Street, Suite 220
Phoenix, AZ 85007

Brian Bozzo
Compliance and Enforcement Manager
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Work Papers

PARADISE VALLEY WATER DISTRICT 2015 ANNUAL CAP SURCHARGE TARIFF UPDATE SCHEDULE

Calculation for 2015 Surcharge

Line	Description	AF	Annual Charge	Annual Expense
Year 2015				
1	Going Forward Expenses -			
2	Total Water Allocation Available - 3,231 AF			
3	Water Allocation	3,231		
4				
5	M & I Capital Charge per AF	3231	\$22.00	\$71,082
6	M & I Delivery Charges per AF	3231	\$157.00	\$507,267
7	SRP Wheeling Charge per AF (2006-7)		\$0.00	\$0
8	CAP -Tonopah Desert Recharge Facility per AF (2008-)	0	\$8.00	\$0
9	MWD Credit	3231	-\$16.00	-\$51,696
10				<u>\$526,653</u>
11				
12	<u>Annual Costs Savings:</u>	AF	% Allowed	Cost Per AF
13	Task Order 1177 - Annual Costs Savings Purchased Power	3,231	97.78%	\$56.73
14	Task Order 1179 - Annual Costs Savings ADWR Fees	3,231	97.78%	\$3.00
15	This is based on 3,158 AF less pumping			
16				<u>-\$188,703</u>
17				
18	<u>Task Order 1175 - Amortization of Deferred CAP Charges:</u>			
19	Total Deferred Charges Per Decision No. 61831			\$533,115
20	Amortization Period of 5 Years			5
21	Annual Amortization			\$106,623
22	Amortization per month			\$8,885
23	Amortization period ended June 2004			\$53,312
24	Amortization for 2005 and beyond			<u>\$0</u>
25				
26	<u>Current Annual Costs Before Overcollection/Undercollection of Prior Year's Costs</u>		For 2015	<u>\$337,950</u>
27				
28				
29	<u>(Overcollection)/Undercollection of Prior Year's Surcharge</u>			
30	Prior (Overcollection)/Undercollection			\$29,542
31	CAP Surcharge Revenue Collections			-\$312,228
32	M & I Capital Charges			\$67,851
33	M & I Delivery Charges			\$471,727
34	SRP Charges (2006-7) or Tonopah Storage Charges (2008-Current)			\$0
35	MWD Credit			-\$43,584
36	Cost Savings Power Costs			-\$179,225
37	Costs Savings ADWR Fees			-\$9,499
38	Amortization of Prior Deferred CAP Charges			\$0
39	Amortization of Interest Costs			\$0
40	<u>Total (Overcollection)/Undercollection</u>			<u>\$24,584</u>
41				
42				
43	<u>Total Annual Costs</u>			<u>\$362,533</u>
44	<u>Total Annual Sales for Surcharge (Previous year billing determinants)</u>			<u>1,763,943</u>
45				
46	<u>Surcharge Per 1,000 Gallons - Total Undercollection (Ln 40/Ln 44)</u>			<u>\$0.0139</u>
47				
48	<u>On-going Surcharge Per 1,000 Gallons - Current Annual Costs (Ln 26/Ln 44)</u>			<u>\$0.1916</u>
49				
50	<u>Total CAP Surcharge (Ln 46 + Ln 48)</u>			<u>\$0.2055</u>
51				
52				
53	(a) - Balance carried forward per EPCOR Water Arizona's filing dated January 31, 2014.			

PARADISE VALLEY WATER
ANNUAL CAP SURCHARGE TARIFF UPDATE
2014 Revenue and Expenses

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$ (12,343)	\$ (13,388)	\$ (13,409)	\$ (17,491)	\$ (27,801)	\$ (37,138)	\$ (40,736)	\$ (44,510)	\$ (33,654)	\$ (22,481)	\$ (31,022)	\$ (18,255)	\$ (312,228)
Total Revenue	\$ (12,343)	\$ (13,388)	\$ (13,409)	\$ (17,491)	\$ (27,801)	\$ (37,138)	\$ (40,736)	\$ (44,510)	\$ (33,654)	\$ (22,481)	\$ (31,022)	\$ (18,255)	\$ (312,228)
M&I Capital Charges	\$ -	\$ -	\$ -	\$ 32,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ -	\$ -	\$ 67,851
M&I Delivery Charges	58,966	58,966	58,966	58,966	58,966	58,966	58,966	58,966	-	-	-	-	\$ 471,727
Tonopah Storage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
MWD Credits	-	-	-	-	(4,160)	(14,048)	-	(6,720)	(10,128)	-	(4,944)	(3,584)	(43,584)
Cost Savings Power Costs	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(14,935)	(179,225)
ADWR Credits	-	-	(9,499.14)	-	-	-	-	-	-	-	-	-	(9,499)
Amort of Prior Def CAP Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Amort of Interest Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expense	\$ 44,030	\$ 44,030	\$ 34,531	\$ 76,340	\$ 39,870	\$ 29,982	\$ 44,030	\$ 37,310	\$ (25,063)	\$ 20,606	\$ (19,879)	\$ (18,519)	\$ 307,270
Balance at 12/31/13	\$ 29,542												
Monthly (Over) / Under 2014	\$ 31,687	\$ 30,642	\$ 21,123	\$ 58,850	\$ 12,070	\$ (7,156)	\$ 3,294	\$ (7,199)	\$ (58,718)	\$ (1,876)	\$ (50,901)	\$ (36,774)	
Cumulative	\$ 61,228	\$ 91,871	\$ 112,993	\$ 171,843	\$ 183,913	\$ 176,757	\$ 180,051	\$ 172,851	\$ 114,134	\$ 112,258	\$ 61,358	\$ 24,584	

Tariff

Paradise Valley Water District
(Name of Service Area)

CAP SURCHARGE

APPLICABILITY

Applicable to all customers of Paradise Valley Water District except Sales for Resale.

TERRITORY

Portions of the City of Scottsdale and the Town of Paradise Valley, and vicinity, Maricopa County.

RATES

Surcharge Rate:

Residential Customers:

In excess of 45,000 gallons..... \$ 0.2055 per 1,000 gallons *

All Non-Residential Customers except Sale for Resale Customers:

For all usage..... \$ 0.2055 per 1,000 gallons *

* Rate consists of \$0.0139 per 1,000 gallons of usage to recover the under collection of prior years' surcharge and \$0.1916 per 1,000 gallons of usage for the collection of current annual CAP charges.

SPECIAL CONDITIONS:

1. The Company is authorized to recover CAP related costs based on its CAP allocation of 3,231 AF.
2. Total annual CAP costs will be determined by summing: a) annual Municipal & Industrial (M & I) water service charges, b) monthly M & I operations, maintenance and replacement (OM&R) costs, c) Tonopah Desert Recharge Project costs, d) annual production cost savings, e) the overcollected or undercollected surcharge from the previous twelve months period, and f) amortization over 5 years of deferred CAP M & I water service capital charges.
3. The Company will annually file with the Commission by January 31 the proposed annual CAP surcharge for the current calendar year. The filing shall contain all documentation to support the proposed surcharge.
4. The annual CAP surcharge will be calculated based on the historic consumption of the applicable customers from the previous twelve months.
5. The revised CAP surcharge will be effective on March 1 of each year.
6. Total deferred CAP costs of \$533,115 as of 12/31/99 will be amortized over a period of 5 years.
7. Collection of the CAP surcharge will not generate a positive operating income to Paradise Valley Water Company. It is intended only to recover CAP related costs.
8. The CAP surcharge will appear on each applicable customer bill as a separate charge.

ISSUED: January 30, 2015
Month Day Year

EFFECTIVE: March 1, 2015
Month Day Year

ISSUED BY: Sheryl Hubbard, Director, Rates & Regulation
2355 W. Pinnacle Peak, Rd., Suite 300, Phoenix, AZ 85027